

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



March 13, 1997

I-20

ALL-COUNTY INFORMATION NOTICE-97

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: FOOD STAMP CORRECTIVE ACTION PLAN

Attached for your information is a copy of California's Food Stamp Corrective Action Plan (CAP) which was sent to the Food and Consumer Service (FCS) as required by federal regulations.

State Original Error Rate (SOER) findings of quality control (QC) payment errors for Federal Fiscal Year (FFY) 1995, October 1994 through September 1995, are presented in this plan. The SOER for this period which includes issuances to ineligible, overissuances and underissuances was 9.1 percent. This is 0.7 percentage points lower than the previous review period of October 1993 through September 1994. The final federal Food Stamp error rate for FFY 1995 was 9.48 percent, which is 0.24 percentage points below the national average of 9.72 percent. Consequently, California will not be subject to a fiscal sanction for FFY 1995.

Part I of this plan is an overview of state level error reduction activities. Part II discusses county error rate data for the 33 largest counties and provides an overview of error reduction efforts.

We appreciate the work and attention you have directed toward accuracy improvement in the Food Stamp Program. We will make every effort to assist you in maintaining Food Stamp error rates below sanctionable levels.

If you have any comments or questions about this Plan, please contact Mr. Ron Thoreson, Chief, Operations Improvement Bureau at (916) 445-2154.

BRUCE WAGSTAFF  
Deputy Director  
Welfare Programs Division

Attachment

c: CWDA

**FOOD STAMP PROGRAM  
CORRECTIVE ACTION PLAN**

**October 1994 - September 1995**

**CALIFORNIA DEPARTMENT OF  
SOCIAL SERVICES**

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## INTRODUCTION

In accordance with Title 7, Code of Federal Regulations, Part 275.17, this document provides to the Food and Consumer Service (FCS) California's Corrective Action Plan (CAP) for reducing errors in the Food Stamp Program.

The CAP is in two parts. Part I consists of the statewide error rate data analysis of the federal quality control (QC) sample for the review period of October 1994 through September 1995. An overview of state level accuracy improvement activities is also included in this part.

Part II reports county level error rates and corrective actions. It consists of individual county error information based on results of the QC reviews conducted by the 33 QC counties for the review period October 1994 through September 1995. This overview section highlights some of the areas individual counties are currently working on to reduce errors. Some examples are: focusing on Underissuance errors by eliminating the "zero out" option and allowing client reported shelter costs as permitted by federal regulations; attempting to reduce eligibility worker interruptions by developing public contact workers or units to deal with "walk in" clients; and concentrating on worker failure to act on reported information as a source of errors. These examples are extracted from the individual county CAPs which are on file in the Accuracy Improvement Unit of the Operations Improvement Bureau.

## **PART I**

### **STATE LEVEL ACCURACY IMPROVEMENT**

## 1. ERROR RATE DATA ANALYSIS

For the Federal Fiscal Year (FFY) 1995 (October 1994 through September 1995), California's State Original Food Stamp combined payment error rate (CPER), which includes issuances to Ineligibles errors, Overissuance errors and Underissuance errors, was 9.1 percent (see Chart 1). This CPER is 0.7 percentage points lower than the CPER for the FFY 1994 review period of October 1993 through September 1994. The case error rate also showed a slight decrease from 28.4 percent to 25.9 percent for this review period (see Chart 1).

The final federal CPER for FFY 1995 for California was 9.48 percent. These findings are based on a QC sample size of 1,181 cases. The national average CPER for FFY 1995 was 9.72 percent.

Chart 2 displays CPER error element concentrations for the current 12 month period. For this period the leading cause of dollar errors was Wages and Salaries followed by Household Composition errors. These elements have been the most error prone for the past five review periods and account for 57.12 percent of the current CPER. The proportion of Wages and Salaries and Household Composition errors have increased while Shelter Deduction errors has decreased. At 15.33 percent of the CPER, Shelter Deduction errors are at their lowest level in the last six review periods. This reduction is attributed to continuing corrective action efforts targeted at this error element at both the statewide and individual county level.

Chart 3 displays error element concentrations for the Ineligible/Overissuance component of the CPER. Wages and Salaries was again the leading cause of errors, accounting for 49.23 percent of this component. Chart 4 displays comparable information for the Underissuance component of the CPER. For Underissuances, the top error element was Household Composition, accounting for 31.33 percent of Underissuance errors. The second leading cause of Underissuance errors was Shelter Deduction, accounting for 25.66 percent of these errors.

Chart 5 displays agency versus client caused errors for the CPER and individual error components. Agency caused errors increased slightly from 69.1 to 69.7 percent of the CPER for the review period. Chart 6 provides a more detailed breakdown of agency and client causes for both case and dollar errors. The largest cause of agency dollar errors was Failure to Take Action, accounting for 48.9 percent of all dollar errors, an increase from 48.5 percent in the previous review period. Agency caused errors due to Failure to Take Action are addressed in Corrective Action S-42-QC in Part I, Section 3 of this CAP.

Chart 7 displays negative error rate information. The negative error rate is determined by reviewing a sample of cases with negative actions (denials or discontinuances) for correctness of that negative action. Prior to January 1988, the negative error rate was not sufficiently documented to provide accurate information. The most recent data available for FFY 1995 shows a negative error rate of 3.53 percent. Effective in January 1988, the Review and Integrity Branch of the California Department of Social Services (CDSS) began to require quality control (QC) analysts to attempt to make collateral contacts in all QC sample cases with a Food Stamp denial or discontinuance which was not supported by case record documentation. These collateral contacts serve to validate some county negative actions which would previously have been cited as errors. In addition, the Integrated Review and

Improvement Study (IRIS) has included a negative action component beginning with FFY 1984. This component includes case review, systems review and staff interviews to identify erroneous or insufficiently documented negative actions. The QC collateral contact requirement and the IRIS reviews of negative actions have increased county awareness of negative action documentation standards and contributed to a reduced negative action error rate.

**CHART 1**  
**FOOD STAMP**  
**PAYMENT AND CASE ERROR RATES**  
**ORIGINAL STATE FINDINGS**

**Combined Ineligibles, Overissuances and Underissuances**

<b><u>Period</u></b>	<b><u>Payment Error</u></b>	<b><u>Case Error</u></b>
October 1989 - March 1990	10.9	28.2
April 1990 - September 1990	12.6	28.8
October 1990 - March 1991	10.1	26.5
April 1991 - September 1991	9.7	27.0
October 1991 - March 1992	8.8	25.8
April 1992 - September 1992	10.7	30.5
*October 1992 - September 1993	8.9	28.2
*October 1993 - September 1994	9.8	28.4
*October 1994 - September 1995	9.1	25.9

**Combined Ineligibles and Overissuances**

<b><u>Period</u></b>	<b><u>Payment Error</u></b>	<b><u>Case Error</u></b>
October 1989 - March 1990	6.7	14.8
April 1990 - September 1990	8.6	16.0
October 1990 - March 1991	6.5	14.3
April 1991 - September 1991	6.2	15.3
October 1991 - March 1992	5.3	12.8
April 1992 - September 1992	7.1	15.7
*October 1992 - September 1993	5.6	15.4
*October 1993 - September 1994	6.0	15.5
*October 1994 - September 1995	6.0	14.3

CHART 1 (Continued)

FOOD STAMP  
PAYMENT AND CASE ERROR RATES  
ORIGINAL STATE FINDINGS

<u>Period</u>	<u>Underissuances</u>	
	<u>Payment Error</u>	<u>Case Error</u>
October 1989 - March 1990	4.2	13.4
April 1990 - September 1990	4.0	12.8
October 1990 - March 1991	3.6	12.2
April 1991 - September 1991	3.5	11.7
October 1991 - March 1992	3.5	13.0
April 1992 - September 1992	3.6	14.8
*October 1992 - September 1993	3.3	12.8
*October 1993 - September 1994	3.8	12.9
*October 1994 - September 1995	3.1	11.6

\*Annual Data

## CHART 2

### FOOD STAMP

#### ERROR CONCENTRATIONS FOR OVERISSUANCES, INELIGIBLES, AND UNDERISSUANCES

October 1994 - September 1995

<u>Error Element</u>	<u>Percent of Total Misspent Dollars*</u>	<u>Payment Error Rate*</u>	<u>Projected Annual Cost</u>
1. Wages and Salaries (311)	37.68	3.44	85,187,132
2. Household Composition (150)	19.44	1.77	43,950,049
3. Shelter Deduction (363)	15.33	1.39	34,658,140
4. Contributions/Income in Kind (342)	4.49	0.41	10,051,010
5. Standard Utility Allowance (364)	4.00	0.36	9,043,220
6. Unemployment Compensation (334)	3.59	0.33	8,116,290
7. PA or GA (344)	3.38	0.31	7,641,521
8. RSDI Benefits (331)	2.74	0.25	6,194,606
9. Citizenship and Alienage (130)	1.96	0.18	4,431,178
10. Bank Accounts or Cash (211)	1.57	0.14	3,549,464
11. Arithmetic Computation (520)	1.48	0.13	3,345,991
12. Other Unearned Income (346)	1.02	0.09	2,306,021
13. Self-Employment (312)	1.02	0.09	2,306,021
14. Child and Dependent Care (323)	0.99	0.09	2,238,197
15. Combined Gross Income (371)	0.71	0.06	1,605,172
16. Workers Compensation	0.63	0.06	1,424,307
	100.00%	9.10%	\$226,080,504

\*Percents may not add to totals due to rounding.

### CHART 3

#### FOOD STAMP

#### ERROR CONCENTRATIONS FOR OVERISSUANCES AND INELIGIBLES

October 1994 - September 1995

<u>Error Element</u>	<u>Percent of Total Misspent Dollars*</u>	<u>Payment Error Rate*</u>	<u>Projected Annual Cost</u>
1. Wages and Salaries (311)	49.23	2.95	73,146,347
2. Household Composition (150)	13.08	0.78	19,434,373
3. Shelter Deduction (363)	9.79	0.58	14,546,064
4. Contributions/Income in Kind (342)	5.67	0.34	8,424,534
5. PA or GA (344)	4.22	0.25	6,270,111
6. RSDI Benefits (331)	4.20	0.25	6,240,395
7. Bank Accounts or Cash (211)	2.41	0.14	3,580,798
8. Standard Utility Allowance (364)	2.15	0.13	3,194,488
9. Unemployment Compensation (334)	1.84	0.11	2,733,887
10. Arithmetic Computation (520)	1.78	0.11	2,644,739
11. Unearned Income (346)	1.31	0.08	1,946,409
12. Child or Dependent Care (323)	1.20	0.07	1,782,970
13. Combined Gross Income (371)	1.08	0.06	1,604,673
14. Self-Employment Income (312)	1.07	0.06	1,589,815
15. Workers Compensation	.96	0.06	1,426,376
	100.00%	5.97%	\$148,580,835

\*Percents may not add to totals due to rounding.

# CHART 4

## FOOD STAMP

### ERROR CONCENTRATIONS FOR UNDERISSUANCES

October 1994- September 1995

<u>Error Element</u>	<u>Percent of Total Misspent Dollars*</u>	<u>Payment Error Rate*</u>	<u>Projected Annual Cost</u>
1. Household Composition (150)	31.33	0.99	24,280,646
2. Shelter Deduction (363)	25.66	0.81	19,886,415
3. Wages and Salaries (311)	16.11	0.49	12,485,196
4. Standard Utility Allowance (364)	7.47	0.23	5,789,225
5. Unemployment Compensation (334)	6.85	0.22	5,308,727
6. Citizenship and Alienage (130)	5.61	0.18	4,347,731
7. Contributions/Income in Kind (342)	2.28	0.07	1,766,992
8. PA or GA	1.79	0.06	1,387,244
9. Arithmetic Computation (520)	0.93	0.02	720,747
10. Self-Employment (312)	0.91	0.03	705,247
11. Child or Dependent Care (323)	0.60	0.02	464,998
12. Other Unearned Income (346)	0.46	0.01	356,498
	100.00%	3.13%	\$ 77,499,669

\*Percents may not add to totals due to rounding.

# CHART 5

## FOOD STAMP CASE AND DOLLAR ERRORS AGENCY/CLIENT DISTRIBUTIONS

**PERIOD: OCTOBER 1993 - SEPTEMBER 1994**

		<b><u>CASE ERRORS</u></b>	<b><u>DOLLAR ERRORS</u></b>
Ineligibles, Overissuances and Underissuances Combined	Agency:	75.0%	69.1%
	Client:	25.0	31.8
	Total:	100.0	100.0
Ineligible and Overissuances Combined	Agency:	60.3	54.4
	Client:	39.7	46.6
	Total:	100.0	100.0
Underissuances	Agency:	93.6	93.6
	Client:	6.4	6.4
	Total:	100.0%	100.0%

**PERIOD: OCTOBER 1994 - SEPTEMBER 1995**

		<b><u>CASE ERRORS</u></b>	<b><u>DOLLAR ERRORS</u></b>
Ineligibles, Overissuances and Underissuances Combined	Agency:	77.9%	69.7%
	Client:	22.1	30.3
	Total:	100.0	100.0
Ineligible and Overissuances Combined	Agency:	64.9	57.5
	Client:	35.1	42.5
	Total:	100.0	100.0
Underissuances	Agency:	93.7	92.5
	Client:	6.3	7.5
	Total:	100.0%	100.0%

# CHART 6

## FOOD STAMP CASE AND DOLLAR ERRORS AGENCY/CLIENT CAUSE DISTRIBUTIONS October 1994- September 1995

	<u>CASE ERRORS</u>	<u>DOLLAR ERRORS</u>
<b>FOR INELIGIBLES, OVERISSUANCES AND UNDERISSUANCES</b>		
<b><u>Agency Errors:</u></b>		
Failure to Take Action.....	53.7	48.9
Policy Incorrectly Applied.....	17.2	15.6
Arithmetic Computation.....	01.2	01.7
Other Agency Errors.....	05.7	03.5
Total.....	77.8%	69.7%

### **Client Errors:**

Information Not Reported.....	18.0	26.7
Reported Information is Not Correct.....	04.1	03.6
Total.....	22.1%	30.3%

## **FOR INELIGIBLES AND OVERISSUANCES**

### **Agency Errors:**

Failure to Take Action.....	48.5	46.1
Policy Incorrectly Applied.....	11.9	07.5
Arithmetic Computation.....	01.5	02.2
Other Agency Errors.....	03.0	01.7
Total.....	64.9%	57.5%

### **Client Errors:**

Information Not Reported.....	29.1	37.5
Reported Information is Not Correct.....	05.9	05.0
Total.....	35.0%	42.5%

## **FOR UNDERISSUANCES**

### **Agency Errors:**

Failure to Take Action.....	60.0	54.3
Policy Incorrectly Applied.....	23.6	30.7
Arithmetic Computation.....	00.9	00.8
Other Agency Errors.....	09.1	06.7
Total.....	93.6%	92.5%

### **Client Errors:**

Information Not Reported.....	04.5	06.6
Reported Information is Not Correct.....	01.8	00.9
Total.....	06.3%	07.5%

## CHART 7

### FOOD STAMP NEGATIVE ERROR RATE ORIGINAL STATE FINDINGS

<u>Period</u>	<u>Error Rate</u>
October 1984 - September 1985	4.43
October 1985 - September 1986	5.96
October 1986 - September 1987	9.30
October 1987 - September 1988	12.57
*October 1988 - September 1989	NA
October 1989 - September 1990	8.30
October 1990 - September 1991	6.60
October 1991 - September 1992	5.30
October 1992 - September 1993	3.80
October 1993 - September 1994	3.31
October 1994 - September 1995	3.53

- \* There is no negative error rate for FFY 1989. The negative error rate sample was discontinued during that year because California, represented by San Diego County, participated in a nationwide study of Food Stamp negative actions.

## 2. OVERVIEW OF STATE ACCURACY IMPROVEMENT ACTIVITIES

California's Food Stamp program is administered by county welfare departments (CWDs) under the guidance of the California Department of Social Services (CDSS).

Corrective action consultant staff at the Operations Improvement Bureau (OIB) support, motivate, and monitor county level error reduction activities. OIB staff perform a wide variety of county level accuracy improvement activities, as well as planning, developing and implementing state level corrective action.

The following is an overview of some of the ongoing accuracy improvement activities occurring at the state level.

Income and Eligibility Verification System (IEVS): IEVS supplies the counties with a broad range of automated verification methods. This information is used to verify eligibility for both applicants and recipients to identify potential fraud. Computer wage data from within California and throughout the nation helps identify Social Security benefits, unearned income from bank accounts or other investments, and duplicate aid.

The IEVS system represents a merger of three computer match networks that were already in place. They include: the Integrated Earnings Clearance/Fraud Detection System which identifies unreported wages and duplicate aid for AFDC, Food Stamp and SSI/SSP recipients; the Payment Verification System which supplies information on recipients who receive or will receive Retirement Survivors Disability Insurance, Unemployment Insurance or Disability Insurance; and the Asset Match System which compares the welfare recipient file against the State Franchise Tax Board's interest and dividend file.

In 1990, the information available to counties in wage and asset matching was expanded to include nationwide wages and investment income. Nationwide wage data is sent to counties monthly from the Beneficiary Earnings Exchange Record (BEER). Information from the Internal Revenue Service (IRS) asset matches, including information on out-of-state investments, is provided to counties annually.

In December 1991, the applicant system added the Wire-to-Wire Third Party Verification system which provides social security number validation and Title II and XVI benefit information via computer link between California and Baltimore.

In addition to the above matches, CDSS has added the Systematic Alien Verification for Entitlement (SAVE) and the Homeless Assistance Program Indicator (HAPI) systems. SAVE verifies immigration status of all aliens who apply for and/or are recipients of AFDC and Food Stamps. HAPI creates a data base of Homeless Assistance recipients to prevent duplicate or incorrect payments.

Currently, the CDSS is pilot testing the USDA Food Stamp Disqualification system and a statewide property match system known as DATAQUICK. The disqualification information will be available through IEVS and the property match will be available on a case-by-case basis when testing is complete.

The Fraud Bureau also conducts periodic reviews of IEVS operations in counties to discuss IEVS related issues. Quarterly meetings are held with county IEVS Coordinators. At these IEVS "user" meetings, forthcoming changes to IEVS are discussed and IEVS problems are identified. Counties provide a valuable source of input to improve the IEVS system.

In July of 1993, legislation passed that provided 100 percent state funding for IEVS processing, with no county costs to participate. The legislation required counties to submit an operating plan for CDSS approval prior to the release of 100 percent funding. To date, approximately 45 counties representing over 95% of California's welfare caseload are participating.

Fraud Early Detection Program: California has long had a formal pre-eligibility fraud detection program, called Fraud Early Detection (FRED). The FRED Program provides for investigative personnel to be situated in direct physical access to intake units, so as to provide expeditious investigative service to those units. The program is separate and parallel to the intake function and does not interfere with normal intake procedures or delay the timely payment of benefits.

Prior to 1991, slightly less than half of California's counties participated in this program. In July of 1991, legislation passed that provides for 100 percent state funding, with no county costs to participate. This legislation required counties to submit an operating plan for CDSS approval prior to the release of 100 percent funding. To date, 48 counties representing over 95 percent of California's welfare caseload are participating.

Since implementation of the 100 percent funding provision, FRED generated program denials and reductions in benefits have exceeded 40,000 cases a year. This results in an increased estimated annual savings of \$60 million in erroneous Food Stamp issuances.

Review and Evaluation Bureau: The Review and Evaluation Bureau's (REB) goal is to reduce quality control caused errors in the sample by more accurately identifying true errors in the Food Stamp Federal Sample and creating a more accurate Management Information System (MIS).

As of October 1995, REB has a complete statewide central database, wherein REB has direct on-line access to all county case file information, as well as statewide sample and case integration capability. REB's automation efforts allow CDSS to gather relevant information from clients to address emerging issues and the need for change in the Food Stamp program.

REB has created software for QC 1 automation. The software includes prompts for the analyst that will yield a help screen with QC documentation standards. The automated QC 1 enables analysts to produce more consistent, accurate documentation in a shorter time frame.

REB has created a comprehensive Analyst Training Package covering all aspects of the QC analyst's job function for new staff and for experienced employees as a refresher. The Training Team is initially focusing on the development of the QC 1 elements. A brief overview has been created with an introduction and an overview of each module. The Integrated Standards Handbook will be revised to compliment the Analyst Training Package. This comprehensive Analyst Training Package will benefit the QC process by reaffirming policies and procedures, which in turn will result in more complete and uniform case reviews.

The Accuracy Improvement (AIM) Unit Clearinghouse Library: The OIB encourages counties to share information and ideas. A Clearinghouse of corrective action products has been operational since 1987. The contents of the Clearinghouse represents the efforts of counties and other entities to design work products that emphasize error prevention and reduction, as well as corrective action. These products have been effective tools for the counties that designed them and may be beneficial to other counties as well. Some products were developed in regional corrective action workshops attended by county, state, and federal staff. In addition, the Clearinghouse serves as a vehicle for the distribution of products developed as a result of state level corrective action.

Products in the Clearinghouse are continually updated. They are classified under the following headings: AFDC Eligibility, CA-7 Processing, Case Review/Supervisory Review, Caseload Management, Choosing the Right Corrective Action, Client Caused Errors, Corrective Action Committees, Evaluation, Error-Prone Profiles/Identifying High Risk Factors, Food Stamp Eligibility, Fraud Prevention, Problem Solving, Time Management, Training, and Worker Performance Standards/Employee Expectations.

Clearinghouse products are available to counties upon request. OIB consultants are familiar with these products and often suggest appropriate items to counties.

Regional Eligibility Worker and Eligibility Supervisor Conferences: OIB staff work jointly with county staff to develop and present eligibility worker and eligibility supervisor conferences. The first regional eligibility worker conference took place in July 1988. Since that time, numerous eligibility worker and supervisor conferences have occurred at various locations throughout the state. Currently, four regional eligibility worker conferences occur each year. The primary objectives for these conferences and field days are to heighten participant awareness of corrective action issues and to enhance networking among welfare professionals. All have been very successful.

Problem Solving Training: To assist counties in developing the necessary problem solving skills for effective error reduction, OIB makes several types of training sessions available to counties.

One of these is the "Nine-Step Problem Solving Workshop." This is a full day workshop designed to teach problem solving skills to supervisors, lead eligibility workers, managers and other staff directly involved in corrective action planning. Participants work in small groups to analyze problems, identify causes, and develop solutions including implementation and evaluation plans.

The OIB also presents a half-day workshop especially for county line staff. This workshop, "Quality Control/Accuracy Improvement Awareness Training," provides eligibility workers and supervisors with information about the QC process in their county and about skills they can use to solve problems at the unit, district office or departmental level. This training focuses on helping line staff realize that they can make a difference in lowering California's error rate.

Production of these and other training sessions is a cooperative effort by state and county staff. Participants in these workshops enhance their problem solving skills and share ideas with other welfare professionals.

Underissuance Awareness Training: California has had an abnormally high underissuance error rate for some time. We have developed an underissuance awareness presentation which includes comparative error rates, the importance of not making underissuance errors, and the results of a high underissuance error rate. The training is designed to be presented at the eligibility worker (EW) level and to raise the awareness of the EW to the seriousness of the underissuance error rate problem in California. To date, nine counties have received a total of 30 presentations. The response from the EWs and administrators in these counties has been very positive.

### 3. STATUS OF PRIOR CORRECTIVE ACTIONS

This part of the Plan presents information on the progress of previously implemented corrective actions. They are:

- |         |                                                       |
|---------|-------------------------------------------------------|
| S-42-QC | Review of Action on Reported Changes                  |
| S-44-QC | QC Error Case Correction Project                      |
| S-46-QC | Large Eight Error Reduction Project                   |
| S-47-QC | Corrective Action Follow-Up on IRIS Identified Issues |
| S-48-QC | The Committee for Inter-Agency Action                 |

Number

S-42-QC

Title

Review of Action on Reported Changes

Description

This continuing module, which has been a regular part of the Integrated Review and Improvement Study (IRIS), was expanded effective FFY 1990 to include a review of systems which are key in preventing errors which occur when workers fail to act on reported changes. Initially, the three systems which were examined included: 1) the CA-7 process; 2) supervisory reviews; and 3) procedures for handling uncovered caseloads. Based on preliminary data, effective with FFY 1991, the uncovered caseload system review was replaced with a review of eligibility worker training. In addition, as failure to act on reported changes was a major source of statewide errors, the Large County Error Reduction project also reviewed how the large counties have tackled this problem (see S-46-QC for details of this project).

The statewide Agency Caused Failure to Take Action dollar error rates for the last three Federal Fiscal Years are:

<u>FEDERAL FISCAL YEAR</u>	<u>DOLLAR ERROR RATE</u>
October 1992 - September 1993	3.56%
October 1993 - September 1994	4.75%
October 1994 - September 1995	4.64%

Since counties do not currently report detailed information associated with Failure To Take Action errors, we do not know if individual counties are benefiting from IRIS' review of Action on Reported Changes. For this reason, we committed to revise our evaluation methodology as follows:

Implementation Status

Evaluate module effectiveness/ make improvements	-Completed October 1990
Issue summary report	-Completed May 1991

Request counties track and report Failure to Take Action errors as part of their regular corrective action plans.

-Revised Evaluation  
Date-November 1995

Evaluate county-specific corrective action reports for impact on this error trend.

-Revised Evaluation  
Date-November 1997

Number

S-44-QC

Title

QC Error Case Correction Project

Description

Integrated Review and Improvement Studies (IRIS) conducted in FFY 1989 revealed that many counties were not correcting error cases identified in Federal Sample QC reviews. Correction of error cases is an important component of casework accuracy and an essential step to prevent additional error citations should the case be selected again for QC review.

To assist counties in developing and implementing an effective case correction procedure, the Welfare Program Integrity Branch (now Review and Integrity Branch) conducted a review of county welfare departments' practices in the correction of individual case errors. The purpose of this review was to determine the factors preventing the correction of individual case errors and identify effective procedures and monitoring systems. A report summarizing the findings and highlighting successful county practices was sent to all counties in May 1991. Through county inquiries and other contacts with the counties, we believe that some counties have utilized the information that was generated to establish their own improved systems for case correction.

As noted in our prior report regarding this CAP, the IRIS teams have continued to check on the correction of QC Federal Sample errors in each non-QC county reviewed to document the county procedures in place for correcting these errors and to make recommendations for improvements. Based on the IRIS reviews, the rate of correction for the 12 counties reviewed in the prior 6 month period was 76 percent. For this period, the number of counties reviewed was 9 and the rate of correction was 54 percent.

As a result of this data, the Operations Improvement Bureau will implement the following change. Counties will be required to submit documentation of a claim or a restoration form, in addition to the systems/process improvements, before their corrective action will be deemed acceptable (See S-47-QC).

Beginning October 1995, the Review and Evaluation Bureau (REB) assumed the responsibility for follow-up on QC errors identified in the 19 largest (QC) counties. The REB assures county corrective action for each QC error and reports the results of the follow-up evaluation to OIB each year.

The added attention to this area by this department should convey to the counties the importance of QC error case correction.

### Implementation Status

Survey counties on  
case correction  
procedures

-Completed December 1990

Analyze survey  
findings

-Completed January 1991

Conduct on-site  
analysis of case  
correction procedures  
in selected counties

-Completed March 1991

Analyze findings and  
develop recommendations

-Completed April 1991

Prepare report of  
findings/successful  
procedures and send  
to counties

-Completed May 1991

Include a QC Error  
Case Correction Module  
in county IRIS reviews

-Continued through the FFY  
1994 reviews

REB to assume QC error  
follow-up for 19 QC counties

-October 1995, continuous

Number

S-46-QC

Title

Large County Error Reduction Project

Description

The title of this project has been changed from the Seven County Partnership Effort to the Large County Error Reduction Project. In FFY 1986 through FFY 1990, California's Food Stamp error rate exceeded the national average and the federal tolerance level. The Food and Consumer Service (FCS), the California Department of Social Services (CDSS), and several counties collaborated on a new project to reduce Food Stamp error rates in the seven largest caseload counties in an effort to bring the statewide error rate below the federal tolerance level in FFY 1991.

The seven original counties which agreed to participate in this project were: Alameda, Fresno, Los Angeles, Orange, Sacramento, San Bernardino and San Diego.

FCS, CDSS, and the original seven counties committed to short term and long term error reduction actions. FCS agreed to consider all county and CDSS recommendations for review and revision of problematic federal policies, procedures and program provisions. FCS committed to pursue program improvements within their legal and fiscal constraints. Counties committed to refocusing their energies on operation improvements and contributing to CDSS and FCS project activities. CDSS modified its IRIS schedule and scope to allow an expanded IRIS review in each of the largest seven counties. An IRIS error reduction module was added to focus on reducing the county's error rate, and/or assess the effectiveness of corrective actions already underway and/or assess the transferability of exemplary practices into or from the reviewed county. County management collaborated with CDSS IRIS staff to prescribe the focus of the error reduction module. AIM consultants also intensified their contacts and activities with these counties.

This corrective action has been extended and expanded to include an error reduction module in the IRIS reviews beginning with the 1994 FFY for all large counties scheduled for review. The counties were able to benefit from this module in large part because they were directly involved in determining the aspects of their operations to be included in the error reduction review. In this way counties were able to utilize the expertise of IRIS team members and their own staff working together to reduce county errors.

In December 1992, the Large County Error Reduction Project was developed. This was done because of the success of this project in the original seven counties. The California final FFY 1993 error rate was 9.06 percent. This was the first time since Underissuances were added to the FFER that California has achieved a single digit FS payment error rate. The State's Plan will continue to report on this corrective action during the life of this project.

### Implementation Status

Compile barriers to Food Stamp Program integrity and brainstorm suggestions for eliminating/mitigating them

-Completed May 1991

Meet with seven large counties to discuss ways to pursue above suggestions

-Completed August 1991

Meet with seven large counties to secure commitment to project

-Completed October 1991

Meet with seven large counties to discuss specific project goals and tasks

-Completed January 1992

All seven counties will have an IRIS review with an error reduction module added to the normal IRIS scope. This will begin in October 1991 and continue through September 1992

-Completed October 1992

All large counties reviewed in FFY 1993 will have an error reduction module included in their IRIS

-Completed October 1993

All large counties reviewed in FFY 1994 will have an error reduction module included in their IRIS

-Completed October 1994

All large counties reviewed in FFY 1995 will have an error reduction module included in this IRIS

-Completed October 1995

Number

S-47-QC

Title

Corrective Action Follow-Up on IRIS Identified Issues

Description

Prior to October 1990, counties expressed growing confusion and frustration with the disjointed process that had evolved for reporting corrective action on Integrated Review and Improvement Study (IRIS) findings. Basically, counties had eight different organizations in the Department to communicate with and eight distinct processes in place. In response to this concern and the increasing instance of repeat findings, the Operations Improvement Bureau (OIB) volunteered to be responsible for corrective action follow-up with counties on IRIS issues beginning with the FFY 1990 reviews.

Effective with the FFY 1991 IRIS reviews, OIB implemented a formal process and a special form called a Program Improvement Response (PIR) for counties to use in documenting IRIS corrective action. PIRs are due 60 days from the date of the IRIS report. OIB reviews PIRs for appropriateness and monitors for closure. Dependent on the severity of the problems identified and the availability of OIB resources, monitoring involves phone discussions, procedures review and on site county visits. In addition, all open PIRs are routinely monitored at every subsequent IRIS.

Effective with the FFY 1993 reviews, the PIR process was modified. OIB now enters the specific deficiency and recommended solution on each PIR form before releasing them to the county. The county receives a package of PIR forms that require completion of the last section, i.e., the corrective action. This change reduced county delays in the dissemination of the PIR forms to their appropriate units for completion and allowed counties more of the 60 day time frame to plan and implement successful corrective action.

As noted, the PIR process was developed to ensure corrective action was taken on IRIS findings. This process reduced the number of findings repeated from review to review.

Implementation Status

Item

Milestone

Implement PIR process

-Completed October 1991

Initiate enhancements to PIR process

-Completed October 1991

Determine if there has been an improvement in the number of counties submitting PIRs within the 60 day time frame

-Data indicates there has been an improvement in the number of counties providing PIRs on time.

Determine if there has been  
a decrease in repeat  
IRIS findings

-The PIR process will continue to  
be an ongoing regular  
activity of the OIB. Consequently  
reporting on this CAP will cease.

Number

S-48-QC

Title

The Committee for Inter-Agency Action

Description

In January 1995, the Accuracy Improvement (AIM) Unit of the Operations Improvement Bureau (OIB) initiated a project involving Fresno, Kern and Tulare Counties for the purpose of improving their Food Stamp error rates. These counties have been experiencing higher than normal Food Stamp error rates for several review periods.

AIM's review of the corrective action plans submitted by these three neighboring counties revealed that they were experiencing similar error problems and trends. AIM also felt that each of these counties had valuable corrective action strategies to share with each other.

The counties named this effort The Committee for Inter-Agency Action (CIA). Its goal was to improve the corrective action processes and quality control error rates in Fresno, Kern and Tulare counties through information sharing, mutual support and task development. The project committee consists of the corrective action liaison from each of the counties (who is also the quality control manager of the county) and AIM staff.

The committee decided that it would review and share the counties' error problems and previously implemented corrective actions. It was also decided that the counties would share effective quality control or error reduction strategies not currently being used by, but of interest to, the other counties.

Because of mutual problems surrounding seasonal farmworker cases and numerous errors resulting from these cases counties, with assistance from OIB, met to discuss alternatives for reducing errors related to these cases. County and OIB staff were able to clarify policies and share procedures which has resulted in a reduction in seasonal farmworker related errors.

To date, the project committee has completed several of its established tasks. AIM staff shared a history of the counties' error rates and trends and an overview of their previous corrective actions. The counties then provided more in-depth explanations of individual corrective actions that were of interest to the other counties.

Each county also described a major strength or strategy characterizing its approach to error reduction. For Fresno, a major strategy is the promotion of accountability from eligibility workers to program managers and the aggressive development and implementation of pertinent training and technical products. For Tulare, a major strength is the use of a personal computer program to maintain quality control error data for the department and each of its five district offices. This cumulative data program is invaluable to the county's Stamp Out Problems (STOP) committee (a corrective action committee) for determining the source of errors and deciding what errors to tackle.

The preliminary evaluation of The Committee for Inter-Agency Action indicates that the sharing of information on strategies to error reduction is beneficial to all three counties. The counties will continue to strive towards improving their corrective action process and focus on reducing the FS payment error rates.

Implementation Status

<u>Item</u>	<u>Milestone</u>
Establish project committee	-Completed January 1995
Establish project goals	-Completed January 1995
Analyze Tulare, Kern and Fresno Counties' error rates and trends	-Completed January 1995
Share effective error reduction strategies and procedures	-Completed March 1995
Analyze findings and develop committee tasks	-Revised projected completion date of September 1997

## **PART II**

### **COUNTY LEVEL ACCURACY IMPROVEMENT**

## **1. INDIVIDUAL COUNTY ERROR RATES**

The cumulative payment error rates (CPEs) resulting from the individual county QC reviews for the October 1994 through September 1995 review period is shown on Chart 8. This information assists the AIM consultants in identifying error rate trends in the counties over time and recognizing superior or improved performance.

California has 33 QC counties. The majority of these reported their QC error rates for the October 1994 through September 1995 period. However, several counties did not report error rates because they were involved in implementation of an Interim Statewide Automated Welfare System (ISAWS).

Samples for all of the individual county QC reviews (except Los Angeles) were randomly selected by the counties using the same master file which is used to draw the federal QC Sample. Because of its large caseload size, error rates for Los Angeles County are derived from its portion of the federal sample.

# CHART 8

## FOOD STAMP PAYMENT ERROR RATES FOR INELIGIBLES AND OVERISSUANCES, UNDERISSUANCES, AND CUMULATIVE OCTOBER 1994 - SEPTEMBER 1995

<u>County</u>	<u>Cumulative FFY 1995</u>
Alameda	10.9
*Butte	ISAWS
Contra Costa	8.9
Fresno	11.5
*Humboldt	Incomplete
*Imperial	11.8
Kern	6.0
*Kings	ISAWS
Los Angeles	12.7
*Madera	ISAWS
*Mendocino	ISAWS
Merced	12.8
Monterey	9.9
Orange	5.2
*Placer	3.6
Riverside	5.8
Sacramento	5.2
San Bernardino	8.6
San Diego	9.2
San Francisco	10.8
San Joaquin	ISAWS
*San Luis Obispo	Incomplete
*San Mateo	Incomplete
*Santa Barbara	Incomplete
Santa Clara	6.9
*Shasta	ISAWS
Solano	4.7
*Sonoma	10.3
Stanislaus	8.6
Tulare	7.2
Ventura	7.2
*Yolo	4.4
*Yuba	ISAWS

\* Denotes counties no longer performing QC reviews under restructuring. ISAWS counties were excused from QC reviews to facilitate conversion. Incomplete counties did not, and will not, complete the county QC sample for FFY 1995.

## 2. OVERVIEW OF COUNTY ACCURACY IMPROVEMENT ACTIVITIES

As a major error reduction activity, California counties prepare and submit Corrective Action Plans (CAPs) to the OIB twice a year. Plans are due February 1 and August 1 of each year. These CAPs constitute a major part of California's error reduction efforts. We believe that because county staff are directly involved in program administration at the local level, they are best able to analyze local problems and focus available resources for effective error reduction. Information on specific actions initiated by counties can be obtained by reviewing the CAPs submitted by the individual counties.

Each county is assigned an Accuracy Improvement (AIM) Unit Consultant who reviews and evaluates the CAPs submitted by his or her respective counties and responds with detailed written comments. Consultants also communicate with their counties through telephone contacts and in-person visits. Because many effective error reduction activities occur at the county level, the role of the consultant is twofold: to help counties maintain their commitment to accuracy improvement, and to assist them in acquiring the problem solving skills and tools necessary to develop effective corrective action.

Most of the 19 counties shown on Chart 8 had active corrective action committees during the October 1994 through September 1995 review period. A significant part of accuracy improvement activities in these counties involves the work of the corrective action committees which typically meet monthly to identify problems, generate ideas, develop solutions and review the effectiveness of prior corrective actions. Another major activity of these committees is to generate and maintain staff motivation for error reduction and error prevention. AIM consultants frequently attend these meetings to assist committees with their corrective action efforts.

To further assist county staff in developing the necessary skills to reduce errors, AIM consultants work jointly with county staff to present problem solving training workshops. Two training formats are utilized: the Quality Control/Accuracy Improvement Awareness Workshop and the Nine-Step Problem Solving Workshop.

The Quality Control/Accuracy Improvement Awareness Training is a half-day workshop especially for eligibility staff. It provides them with information about the quality control process in their county and about skills they can use to solve problems at the unit level. The Nine-Step Problem Solving Workshop is a full day training session designed to teach enhanced problem solving skills to supervisors, lead eligibility workers, managers and other staff directly involved in corrective action planning. The basic format is modified to meet the needs of the individual county.

In addition to participating in training to hone their problem solving skills, staff of California counties also enhance their error reduction capabilities by working together in regional networking groups. Participation allows counties to gain information, discuss mutual concerns, and share solutions to common problems. Currently there are six networking groups throughout the State. They include: the Bay Area Quality Control/Corrective Action Committee, the Northern County Corrective Action Committee, the Southern Counties AFDC Task Force, the Southern Counties Quality Control/Corrective Action Subcommittee, the Southern Counties Food Stamp Task Force, and the Valley Nine Network. AIM consultants regularly attend these meetings to share information and lend their support.

County line staff also network through participation in regional conferences. AIM consultants assist county regional groups in presenting five conferences each year. These regional conferences provide line staff with the opportunity to share common concerns, discuss corrective action ideas, and acknowledge their key role in California's error reduction efforts.

The Operations Improvement Bureau Clearinghouse is another vehicle for sharing error reduction ideas. Corrective action products and tools are described in the Clearinghouse Catalog and are made available to counties and other organizations upon request.

In summary, California's error reduction efforts are broad based. The common thread running through all these activities is an emphasis on assisting county staff in acquiring the skills, tools and motivation required for accurate casework.